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FOREIGN AGRICULTURE CIRCULAR

U. S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL SERVICE

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CURRENT SERIAL RECORDS

TROPICAL PRODUCTS

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June 1964

RECORD WORLD TEA CROP

EXPECTED IN 1964

Summary

World tea production in 1964 is forecast at 2,326 million pounds, 2 percent above the record 1963 outturn. The Asian harvest is estimated at 2,154 million pounds, 38 million more than the previous year. The African crop is placed at 130.5 million pounds, an increase of 5 percent. South American production - estimated at 41.3 million - is also continuing upward this year.

World exports of tea during 1963 exceeded the previous year's record level of 1,250 million pounds. India and Ceylon supplied three-fourths of the tea entering into world trade. The United Kingdom and the United States together accounted for over one-half of the world imports. Tea imports into the United States during 1963 - 126 million pounds - fell nearly 4 million from the previous year, while purchases by the United Kingdom, of 563 million pounds, were nearly 6 million above the 1962 level.

Per capita consumption of tea remains highest in the United Kingdom, at nearly 10 pounds, compared with the United States level of less than 1 pound. The suspension of tea import duties in EEC countries (Common Market), is hoped to stimulate increased consumption in the Six - now less than 0.3 pounds per person.

This circular contains more detailed information than the summary of similar title published in the World Agricultural Production and Trade Statistical Report of May 1964.

TEA: World production for calander year 1964 with comparisons

Continent and country	Average 1955-59	1960	1961	1962	1963 ^{1/}	Forecast 1964
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Asia:						
Ceylon	395.9	434.7	455.2	467.0	490.0	500.0
China, Mainland ^{2/}	279.8	350.0	345.0	350.0	340.0	340.0
India	695.9	707.9	781.3	759.7	760.0	770.0
Indonesia	100.2	101.5	95.1	104.1	83.8	88.0
Iran	13.2	21.2	22.5	27.6	28.5	30.0
Japan	163.2	171.0	179.4	170.8	178.8	180.0
Malaysia	5.2	5.6	5.8	6.3	6.0	6.0
Pakistan	53.5	41.9	58.5	51.6	55.0	55.0
Taiwan	33.2	38.3	39.8	43.5	48.0	50.0
Turkey	5.6	13.1	12.0	18.2	22.0	25.0
USSR	63.7	83.1	81.9	90.7	94.3	100.0
Vietnam, South	8.1	10.0	10.7	10.0	10.0	10.0
Total	1,817.5	1,978.3	2,087.2	2,099.5	2,116.4	2,154.0
Africa:						
Congo, Leopoldville	4.8	8.0	7.5	8.0	8.0	8.0
Kenya	23.1	30.4	27.9	36.2	39.9	42.0
Mauritius	1.7	1.7	2.8	2.8	3.0	3.0
Mozambique	15.2	19.9	23.4	20.7	19.0	20.0
Nyasaland	20.7	26.1	31.5	29.3	26.3	28.0
Southern Rhodesia	1.5	2.2	2.4	2.8	3.0	3.0
Tanganyika	6.1	8.2	9.8	9.5	11.1	12.5
Uganda	8.0	10.3	11.3	13.9	13.6	14.0
Total	81.1	106.8	116.6	123.2	123.9	130.5
South America:						
Argentina	5.2	13.0	18.0	21.0	24.0	27.0
Brazil	3.1	6.0	6.2	11.1	11.0	11.0
Peru	1.9	2.5	2.5	2.9	3.1	3.3
Total	10.2	21.5	26.7	35.0	38.1	41.3
Grand total	1,908.8	2,106.6	2,230.5	2,257.7	2,278.4	2,325.8

^{1/} Preliminary.

^{2/} Estimated.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U. S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

Production and Trade

Asia: Asian producers account for over 90 percent of the world's tea crop. Increases are indicated in most countries of this region.

Production in Ceylon is expected to exceed the record 1963 outturn of 485-490 million pounds. Output has been advancing rapidly as a result of increased acreage and also through the replanting of existing tea areas with higher yielding varieties. The area under tea last year was estimated at over 591,000 acres. The breakdown of 1961 tea acreage ownership was as follows:

<u>Ownership</u>	<u>Acres</u>	<u>Percent</u>
Sterling companies	209,388	35.6
Individual Ceylonese	137,872	23.5
Rupee companies	122,575	20.9
Small-holdings	83,527	14.2
Non-Ceylonese individuals	<u>34,039</u>	<u>5.8</u>
Total	587,401	100.0

Tea is the most important money-earner in the economy of Ceylon, usually accounting for two-thirds of the foreign exchange earnings. Exports during 1963 set a new record - 456 million pounds - but are being confronted with increasing competition from Indian teas. The United Kingdom accounted for 38 percent of Ceylon's exports; most of the remainder was bought by Iraq, the United States, Australia, South Africa, Canada, and New Zealand.

Mainland China's crop is placed at 340 million pounds, the same as the 1963 outturn which was reduced by unfavorable weather conditions.

Production in India - the world's largest producer - is estimated at 770 million pounds, up slightly over last year's crop of 760 million. Although the 1963 outturn equalled the previous harvest, production fell far short of the planned goal. North India's crop (mostly the Assam Valley Region) showed a shortfall of 13 million pounds, but was offset by a larger South Indian outturn. It now appears that the target of 900 million pounds by 1965-66 will not be achieved.

India's 1963 tea exports - 493 million pounds - were 4 percent larger than in the previous year. Larger purchases were made by the United Kingdom, which took 60 percent of the shipments. Exports to the USSR - 38 million pounds - were also up sharply, compared with 27 million in 1962. Purchases by the United States were slightly smaller.

Indonesian production is estimated at 88 million pounds, 4 million above the 1963 outturn. Although output will be higher, production will still be well below the 1955-59 average of 100 million pounds. The 1963 crop

was reduced because of dry weather and of the fall of volcanic dust on the plantations in eastern Java. The recent nationalization of more foreign-owned tea estates is expected to affect adversely both production levels and quality. Exports during 1963 approximated the previous year's level. The United Kingdom and other Commonwealth nations accounted for over one-half of the shipments and most of the remainder was exported to Belgium, West Germany, and the United States.

Production in Iran has been increasing rapidly. Output this season is expected to reach 30 million pounds, 5 percent above 1963 levels. Despite the larger crops, significant imports are still necessary to meet domestic requirements. The Iran Tea Organization has been providing financial and technical assistance to growers by purchasing tea at fixed prices, supplying fertilizer and distributing improved tea clones at half-cost, and providing credit to farmers. On February 15, 1964, a "Tea Council" was organized in Lahijan to coordinate the interests and demands of producers and importers. Items under immediate consideration are a 100 percent mixing of imported tea with local tea; blending of tea with modern equipment only; abolition of border regulations on imports of tea; and application of uniform rates for drying of first - and second - quality tea leaves.

Output in Japan is expected to continue the upward trend in 1964. Production in 1963 amounted to 178.8 million pounds, 5 percent above the small 1962 crop which was reduced by dry weather. Domestic consumption in 1963 was estimated at 174 million pounds, up sharply from previous years because of a drop in barley tea usage. Tea exports in 1963 - 8.1 million pounds - were less than half of the previous year's total because of increased domestic demand. Algeria was the largest recipient of Japan's 1963 exports - taking 37 percent of the total - followed by the United States with 25 percent.

Pakistan's crop will approximate the 1963 outturn of 55 million pounds. Because of increased home demand, tea exports will not be permitted in 1964. Steps have been taken to increase yields and expand acreage, but poor weather, lack of effective pest control and skilled labor has limited output. The Government has introduced compulsory measures to improve and expand tea cultivation and is giving financial and other forms of assistance to growers to enlarge existing gardens and to open new areas to tea.

Turkey's crop is expected to reach a record 25 million pounds, more than 4 times the 1955-59 average. The 1963 outturn of 22 million pounds was adequate to fulfill home consumption requirements, allowing a small surplus for export. Tea acreage has expanded from 6,000 acres in 1946 to 42,000 acres in 1963 and by 1966, 50,000 acres are planned to be under cultivation. There were 20 tea factories in operation during 1962 and the building of an additional 10 is planned.

USSR production is expected to reach 100 million pounds, 6 percent above the 1963 outturn. Over 95 percent of the crop is produced in the subtropical Georgian region where climatic conditions are similar to the northern tea areas of Mainland China and Japan. Despite the much publicized mechanized harvesting of tea, two-thirds of the 1963 crop was hand-plucked.

Africa: African production is estimated at 130.5 million pounds, 5 percent above the 1963 harvest. Kenya, Nyasaland, and Mozambique are the major producers of this region.

The upward trend in Kenya's production is expected to continue in 1964. Additional area planted in tea during 1963 was 4,131 acres, bringing total acreage to 53,000 acres. With a target of 80,000 acres planned, output should continue to rise in future years. The Government has recently negotiated a \$9.8 million loan from the World Bank and from the Commonwealth Corporation for tea extension schemes. Tea exports during 1963 totaled 33 million pounds, 3 million above the previous year. Nearly 20 million pounds were destined for the United Kingdom with most of the remainder going to the United States (4.4 million pounds), Canada (2.2 million), Sudan (1.9 million), and the Netherlands (1.6 million).

Uganda's crop is placed at 14 million pounds, slightly above the 1963 outturn. About 19,000 acres were in tea during 1963, and additional expansion is planned.

Output in Tanganyika is estimated at 12.5 million pounds, compared with the 1963 harvest of 11.1 million. Tea acreage last year was over 20,000 acres, one-half of which is under 10 years of age. Exports last year amounted to 8.8 million pounds, over three-fourths going to the United Kingdom. Most of the balance was bought by the United States, Canada, and the Netherlands.

Tea production for Kenya, Uganda, and Tanganyika for the 1st quarter of 1964 compared with the similar 1963 period is as follows:

	<u>January-March</u>	
	<u>1963</u>	<u>: 1964</u>
	<u>1,000 pounds</u>	
Kenya	11,155	: 13,183
Uganda	3,360	: 3,970
Tanganyika	3,803	: 4,413
Total	18,318	: 21,566

A slight increase is expected in Nyasaland, but production will probably be below the large 1961 and 1962 harvests. Southern Rhodesia's crop is placed at 3 million pounds, the same as last year. Exports from Nyasaland and Rhodesia during 1963 - 25 million pounds - were 3 million less than in the previous year. Most of the shipments went to the United Kingdom.

South America: South American production continues to increase. Tea is grown commercially only in Argentina, Brazil, and Peru. Output has expanded to more than 4 times the 1955-59 average.

Argentina's 1964 crop is estimated at a record 27 million pounds, more than double the 1960 outturn. Exports in 1963 totaled 17.5 million pounds, up 24 percent over the previous year. Tea has recently been added to the list of commodities of which imports into Argentina are prohibited.

Brazil's crop is forecast at 11 million pounds and a moderate increase is expected in Peru's outturn.

Imports

United States imports of tea during 1963 were down slightly from the previous year because of smaller purchases from India, Japan, Indonesia, South American and European suppliers. However, increased buying from Ceylon, East Africa, Taiwan, and Canada narrowed the deficit to 3.6 million pounds. Ceylon teas remained the most in demand, comprising 42 percent of the imports. Purchases from Indonesia continued to decline, mainly because of poor quality. India remained the second largest supplier, accounting for one-fifth of U. S. imports.

Imports during the first quarter of 1964 totaled 33.8 million pounds, compared with 34.2 million for the similar period in 1963. Purchases from Ceylon continued to increase, while imports from Indonesia and India were smaller.

Imports into the United Kingdom, the world's largest tea consumer, amounted to 563 million pounds, compared with 557 million in 1962. January-March, 1964, imports - 140 million pounds - were 24 million below the same period a year earlier. Over 90 percent of the imports originate from Commonwealth producing areas.

TEA: World exports from principal producing countries,
1963 with comparisons

Country of origin	Average 1955-59	1960	1961	1962	1963 <u>1/</u>
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Asia:					
Ceylon	374,473	409,784	425,721	451,633	455,874
China (Mainland) <u>2/</u>	91,800	91,000	68,000	65,000	65,000
India	463,305	425,627	454,791	471,784	492,821
Indonesia	79,556	86,407	79,725	72,077	70,500
Japan	22,166	22,304	17,635	18,933	8,122
Malaysia <u>3/</u>	3,491	5,138	5,238	5,141	4,500
Pakistan	14,370	4,038	5,689	8,733	<u>6/</u>
Taiwan	25,011	25,214	32,194	27,463	<u>2/</u> 30,000
Vietnam (South)....	713	2,392	3,651	4,134	<u>2/</u> 4,000
Total	1,074,885	1,071,904	1,092,644	1,124,898	1,130,817
Africa:					
Congo, Leopoldville:	4,157	7,633	7,000	7,879	7,800
Kenya <u>4/</u>	16,795	23,992	21,894	29,657	32,951
Mauritius	699	466	1,747	1,589	<u>2/</u> 1,600
Mozambique	14,364	17,783	21,837	19,817	18,602
Nyasaland <u>5/</u>	19,870	24,399	30,051	28,249	25,232
Tanganyika <u>4/</u>	4,870	7,078	7,086	8,734	8,808
Uganda <u>4/</u>	5,983	8,649	8,499	11,608	12,108
Total	66,738	90,000	98,114	107,533	107,101
South America:					
Argentina	406	6,652	11,798	14,105	17,499
Brazil	947	1,664	2,593	3,175	<u>2/</u> 3,500
Peru	30	44	93	25	<u>2/</u> 40
Total	1,383	8,360	14,484	17,305	21,039
Grand total	1,143,006	1,170,264	1,205,242	1,249,736	1,258,957

1/ Preliminary. 2/ Estimated. 3/ Malaya only. 4/ Excludes trade between Kenya, Uganda, and Tanganyika. 5/ Includes Southern Rhodesia. 6/ Exports prohibited in 1963.

Foreign Agricultural Service. Official publications of foreign governments, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.

TEA: Exports from Ceylon by country of destination, 1960-63

Country of destination	1960	1961	1962	1963
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United Kingdom	152,369	159,581	176,866	174,013
Iraq	34,368	34,407	38,786	43,209
United States	40,860	41,952	45,407	42,547
Australia	43,319	43,116	37,320	38,586
South Africa	26,423	29,001	27,044	30,220
Canada	17,588	19,375	18,764	18,157
New Zealand	14,421	14,903	15,611	16,768
Arabia 1/.....	11,532	12,264	13,081	9,591
Chile	7,329	12,839	13,876	8,824
Netherlands	8,387	7,691	7,932	8,813
Libya	5,414	6,403	5,096	6,979
Egypt	800	3,494	3,413	6,446
USSR	749	319	5,733	6,425
Syria	4,423	2,760	7,756	5,813
Ireland	4,277	5,315	4,347	5,348
Japan	2,731	3,938	3,115	3,917
Germany, West	2,519	2,774	2,422	2,568
Italy	1,642	1,777	2,763	2,451
Hong Kong	1,689	1,642	2,141	2,084
Malaysia	2,323	2,046	1,965	1,902
Iran	10,770	3,575	3,479	1,689
France	1,374	1,446	1,544	1,497
Tunisia	4,613	2,967	2,756	1,102
Lebanon	542	1,103	1,211	1,078
Jordan	1,734	1,548	1,555	982
Turkey	1,300	2,679	996	756
Denmark	759	1,020	851	744
Others	5,529	5,786	5,803	13,365
Total	409,784	425,721	451,633	455,874

1/ Including Aden, Bahrain Islands, and Kuwait.

TEA: Exports from India by country of destination, 1960-63

Country of destination	1960	1961	1962	1963
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United Kingdom	266,322	271,640	264,248	297,315
USSR	22,513	26,177	27,368	37,663
Egypt	31,085	34,418	40,875	37,326
United States	18,871	23,737	25,260	21,951
Ireland	13,677	14,328	15,968	16,003
Canada	15,362	14,052	13,935	11,784
Sudan	8,543	14,791	11,720	7,921
Australia	5,355	4,136	11,583	7,663
Afghanistan	7,410	7,304	10,022	7,130
Iran	7,820	8,494	9,934	7,000
Netherlands	3,150	3,530	6,475	6,944
Iraq	4,672	4,665	6,100	5,459
Germany, West	3,741	3,490	3,776	4,079
Turkey	5,218	9,323	3,984	2,866
Kuwait	2,055	2,068	1,944	2,231
New Zealand	1,462	1,162	1,219	1,135
Chile	1,142	1,299	1,021	1,113
Bahrain Islands	1,080	937	926	948
Others	6,149	9,240	15,426	16,290
Total	425,627	454,791	471,784	492,821

TEA: Imports into the United Kingdom by country of origin, 1962-64

Country of origin	1962	1963	January - March	
			1963	1964
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Commonwealth:				
India	270,081	282,772	89,064	79,081
Ceylon	174,862	174,407	41,358	33,019
Kenya	20,141	21,186	6,120	5,985
Rhodesia and Nyasaland:	22,832	18,680	6,125	6,196
Tanganyika	7,029	6,825	1,465	1,846
Uganda	5,326	4,115	1,244	1,163
Malaysia	3,143	2,291	713	669
Pakistan	10,524	645	644	4
Other	1,913	2,436	772	716
Total Commonwealth ..	515,851	513,357	147,505	128,679
Other Foreign:				
Portuguese E. Africa ..	15,162	11,731	3,142	2,819
Indonesia	7,970	10,888	3,774	1,115
Mainland China	3,532	5,933	2,010	1,290
Netherlands	2,343	4,755	1,510	1,049
Taiwan	431	1,105	717	161
Japan	678	776	311	94
Other	11,447	14,614	4,817	4,404
Grand total	557,414	563,159	163,786	139,611

TEA: United States imports by country of origin, 1960-64

Country of origin	1960	1961	1962	1963	January - March	
					1963	1964
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
North America: Canada	962	1,129	1,412	1,944	505	714
Europe:						
France	---	40	3	2	---	---
Germany, West	47	47	22	1	---	---
Ireland	9	10	8	13	2	2
Netherlands	2,923	1,456	9,374	6,846	2,725	2,550
United Kingdom	2,325	1,446	1,136	371	78	137
Total	5,304	2,999	10,543	7,233	2,805	2,689
South America:						
Argentina	160	252	1,217	583	108	87
Brazil	803	635	739	719	138	212
Peru	40	---	82	66	---	16
Total	1,003	887	2,038	1,368	246	315
Asia:						
Ceylon	48,318	44,313	51,498	53,494	11,962	13,032
Hong Kong	432	205	290	279	96	47
India	24,770	26,618	29,261	27,453	8,803	8,013
Indonesia	15,226	15,095	13,605	12,810	4,010	3,412
Iran	22	---	---	---	---	---
Japan	2,421	2,072	2,485	1,926	269	291
Malaysia	86	177	49	30	20	7
Pakistan	89	45	77	---	---	---
Taiwan	8,131	6,005	6,400	6,942	2,834	2,696
Others	13	---	9	57	15	57
Total	99,508	94,530	103,674	102,991	28,009	27,555
Africa:						
East Africa ^{1/}	5,304	6,038	6,696	7,349	1,489	1,399
Mauritius	---	---	1	26	11	---
Mozambique	1,324	2,254	1,984	1,667	249	264
Congo, Leopoldville	986	377	682	743	261	27
Nyasaland - Rhodesia	756	1,023	2,570	2,549	628	832
South Africa	24	100	84	23	1	30
Others	---	---	8	147	31	2
Total	8,394	9,792	12,025	12,504	2,670	2,554
Grand total	115,171	109,337	129,692	126,040	34,235	33,827

^{1/} Includes Kenya, Uganda, and Tanganyika.

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UNITED STATES DEPARTMENT OF AGRICULTURE

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